

June 14, 1999

Ms. Magalie R. Salas  
Secretary  
Federal Communications Commission  
The Portals  
445 12th Street, SW  
Washington, DC 20554

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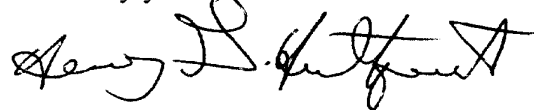
**Re: Petition of the California Public Utilities Commission and the People of the State of California for Delegation of Additional Authority Pertaining to Area Code Relief and to NXX Code Conservation Measures, NSD File No. L-98-136; Petition for Declaratory Ruling and Request for Expedited Action On the July 15, 1997 Order of the Pennsylvania Public Utility Commission Regarding Area Codes 412, 610, 215, and 717, NSD File No. L-97-42; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98.**

Dear Ms. Salas:

Enclosed herewith for filing are the original and four (4) copies of MCI WorldCom's Comments regarding the above-captioned matters.

Please acknowledge receipt by affixing an appropriate notation on the copy of the MCI WorldCom Comments furnished for such purpose and remit same to the bearer.

Sincerely yours,



Henry G. Hultquist

Enclosure  
HGH

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

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In the Matter of:	)	
	)	
Petition of the California Public	)	
Utilities Commission and the People	)	
of the State of California for Delegation	)	NSD File No. L-98-136
of Additional Authority Pertaining	)	
to Area Code Relief and to NXX	)	
Code Conservation Measures	)	
	)	
Petition for Declaratory Ruling and Request	)	
for Expedited Action On the July 15, 1997	)	
Order of the Pennsylvania Public Utility	)	NSD File No. L-97-42
Commission Regarding Area Codes	)	
412, 610, 215 and 717	)	
	)	
Implementation of the Local Competition	)	
Provisions of the Telecommunications	)	CC Docket No. 96-98
Act of 1996	)	

**COMMENTS OF MCI WORLDCOM, INC.**

**I. Introduction**

MCI WorldCom, Inc. (MCI WorldCom) hereby submits Comments on the above-captioned Petition of the California Public Utilities Commission and the People of the State of California for Delegation of Additional Authority Pertaining to Area Code Relief and to NXX Code Conservation Measures (CPUC Petition). With that Petition, California joins the growing number of states that have sought additional authority from the Commission to implement number conservation measures. MCI WorldCom agrees that the relief situation in California is more extreme than in any other state. Indeed, it is no exaggeration to say that California has

entered a period of near-continuous area code relief. The situation is maddening for consumers and businesses, as well as costly for service providers.

The CPUC Petition seeks authority: (1) to order one or more mandatory number pooling trials; (2) to order efficient number use practices within NXX codes, such as “fill rates” and sequential numbering; (3) to hear and address requests by individual carriers seeking assignment of NXX codes outside the California monthly lottery process; (4) to order carriers to return to the code administrator unused NXX codes; and (5) to order the return of unused or underutilized portions of NXX codes to the pooling administrator, when one is selected.<sup>1</sup> MCI WorldCom supports, in part, the CPUC’s request for additional authority. Specifically, MCI WorldCom supports the request for authority to hear and address code requests outside of the lottery process. States are well-situated to respond when an individual service provider has a critical need for numbers.

MCI WorldCom believes that the CPUC can achieve some of its objectives without any additional delegation. For example, the CPUC can work with the industry and the North American Numbering Plan Administrator (NANPA) to obtain the return of unused NXX codes. The Central Office Code Guidelines authorize NANPA to seek the return of such codes.<sup>2</sup> States acting in cooperation with NANPA and the industry have successfully reclaimed a number of NXX codes that had been obtained by carriers lacking certification to serve in a particular

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<sup>1</sup> CPUC Petition at 8.

<sup>2</sup> See Central Office Code (NXX) Assignment Guidelines, INC 95-047-008, Reissued January 27, 1999 at Section 8.0 and following.

exchange code.<sup>3</sup> Similar cooperation is feasible with respect to unused codes that are held in violation of the guidelines.

Sequential number assignment is another issue that the CPUC can pursue with the industry without the delegation of additional authority. The Commission should strongly encourage all industry segments to cooperate with state commissions in the development of voluntary sequential number assignment standards. However, MCI WorldCom opposes the CPUC's requests for authority to impose mandatory fill rates, to conduct a mandatory pooling trial, or to order the return of unused or underutilized portions of NXX codes. Fill rates represent an inflexible approach to number administration that would discriminate against carriers that have fewer numbers in any given rate area. Moreover, they would not provide any substantial number conservation benefits. In contrast, number pooling will provide significant conservation benefits when it is ready for nationwide implementation. Accordingly, the Commission should not authorize additional, individual state pooling trials until the Commission's own rules and the national pooling architecture are established.<sup>4</sup>

The Commission has recently released a Notice of Proposed Rulemaking (NPRM) on Number Resource Optimization (NRO).<sup>5</sup> The speedy completion of that proceeding is the single most significant action that the Commission can take to assist California and other states that are

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<sup>3</sup> In Colorado, such cooperation has yielded the return of 75 NXX codes.

<sup>4</sup> Since the Commission should not, at this time, authorize California to conduct a pooling trial, neither should it allow California to seek the return of unused or underutilized portions of NXX codes. Reclamation of thousand-blocks raises significant issues related to competitive parity and should be addressed with national rules established by the Commission.

<sup>5</sup> *In the Matter of Numbering Resource Optimization*, Notice of Proposed Rulemaking, CC Docket No. 99-200 (released June 2, 1999) (NRO NPRM).

confronted with premature area code exhaust. Completion of that proceeding will also significantly extend the life of the North American Numbering Plan (NANP). In that proceeding, the Commission should establish, *inter alia*, national rules for number pooling. Once those rules are established and necessary network architecture changes are completed, the number conservation benefits of pooling will become available to California and other states. In any case, it is unlikely that pooling will be ready for deployment on any widespread basis before the first quarter of 2001. California cannot, by itself, accelerate that deployment. The Commission, the industry, and state commissions should focus their attention on the Commission's NRO proceeding and the industry's technical and administrative preparations for thousand-block pooling.

## **II. Background**

According to the CPUC, sometime this year California will open its 26th area code.<sup>6</sup> Current projections show that by the end of 2002 California will open an additional 15 area codes. This projected 58% increase in the number of area codes does not reflect anticipated growth anywhere near 58% in end user demand for telephone number. Indeed, the CPUC estimates that there may be as many as 171 million numbers in California that are assigned to service providers, but have not been assigned to end users.<sup>7</sup> To the casual observer, this situation must appear absurd -- 15 new area codes must be introduced over the next three years despite the fact that there may be as many as 171 million unused telephone numbers (this quantity will

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<sup>6</sup> CPUC Petition at 2.

<sup>7</sup> *Id.* at 13.

undoubtedly grow as new area codes are introduced). Such an observer might be surprised to learn that the situation in California, while quantitatively unparalleled, is qualitatively indistinguishable from the situation in any number of states. Across the country, area codes are exhausting with increasing rapidity, despite the fact that millions of numbers remain unassigned to end users.

In every case, the culprit is the antiquated number assignment practice whereby local exchange carriers must obtain at least one NXX code (10,000 numbers) for each rate area in which they intend to offer service, regardless of how many numbers they actually might need for customers in that rate area. While this wasteful practice was acceptable in an era of monopoly, it is plainly inadequate when numerous service providers, including incumbent local exchange carriers (ILECs), competitive local exchange carriers (CLECs), and wireless carriers, require numbering resources. To ensure that consumers and businesses can enjoy the benefits promised by competition among service providers, without suffering the costs associated with the needless introduction of new area codes, this Commission, state commissions, and the industry must work together to develop and implement more efficient number assignment practices.

The Commission plainly recognized the importance of this effort when it unanimously adopted an NPRM on number resource optimization. Therein, the Commission tentatively concluded that “[g]iven the benefits of a nationwide pooling architecture . . . implementing thousands block pooling in major markets is an important numbering resource optimization strategy that is essential to extending the life of the Numbering Plan.”<sup>8</sup> Indeed, thousand-block pooling is the most significant number resource optimization measure that is likely to be ready

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<sup>8</sup> NRO NPRM at ¶ 138.

for nationwide deployment within the next two years.

### **III. The California Petition**

#### **A. The Commission Should Not Authorize California to Conduct a Pooling Trial Outside of the Commission's NRO Process.**

The California Petition seeks authority to order one or more mandatory number pooling trials. These could include thousand-block pooling and individual telephone number (ITN) pooling. The CPUC does not, at this time, provide a detailed proposal for these trials. If its request is granted, the CPUC will work with the industry to develop a structure for the trial. The CPUC is prepared to submit any plan that is eventually developed to the Common Carrier Bureau for review prior to implementation. It is the CPUC's intention to launch a pooling trial without waiting for the results of the Commission's NPRM.<sup>9</sup>

It is understandable that the CPUC wishes to implement pooling as quickly as possible. Pooling will provide substantial number conservation benefits and will extend the life of any area code that has a significant number of unassigned exchange codes. New York, Massachusetts, Maine, and Florida have also sought authority to implement pooling in advance of Commission action. However, the technology, systems, and processes that are required to deploy pooling in any of these states, let alone all of them, depend critically upon the Commission's resolution of issues in its NPRM related to the nationwide pooling architecture. MCI WorldCom has previously described many of the issues that must be addressed before pooling can be

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<sup>9</sup> CPUC Petition at 9.

implemented.<sup>10</sup> Most importantly, NPAC release 3.0 must be completed, tested, and deployed. This will not happen until after the Commission completes its rulemaking.

The Commission should not authorize the CPUC to conduct a mandatory pooling trial outside of the guidelines that the Commission will itself establish. Once the Commission completes its rulemaking, the industry and the states will have a framework within which number conservation measures such as thousand block pooling can be developed and deployed.<sup>11</sup> At that time, the Commission, the industry, and state commissions will be able to work together to see that pooling is tested and deployed as quickly as possible. It is simply not feasible for California or any other state to develop pooling on its own outside of that framework.

**B. Sequential Number Assignment is an Appropriate Practice as the Industry Prepares to Implement Pooling, but the Commission Should not Authorize California to Adopt "Fill Rates."**

MCI WorldCom supports the use of sequential number assignment as a way to minimize thousand-block contamination within an NXX. By adopting this practice now, service providers will maximize the resource available later for pooling when it is implemented. However, carriers must have flexibility to deviate from sequential assignment when such deviation is necessary to meet specific customer needs. MCI WorldCom already uses sequential assignment. A number

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<sup>10</sup> For a partial list of the actions that must be completed before pooling can occur in an individual state, see *In the Matter of Maine Public Utility Commission's Petition for Additional Delegated Authority to Implement Number Conservation Measures* (NSD File No. L-99-27), *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, Comments of MCI WorldCom at 9-10 (filed May 3, 1999).

<sup>11</sup> ITN pooling will take substantially longer to develop and deploy than thousand-block pooling. The Commission should not authorize California to conduct an ITN trial until after thousand-block pooling is well established.



of states have worked with the industry to institute sequential number assignment.<sup>12</sup> MCI WorldCom encourages California to do likewise. At the same time, the Commission should strongly encourage all industry segments to cooperate in efforts to develop voluntary standards for sequential number assignment.

The CPUC seeks authority to adopt “fill rates” as an efficient number management practice. However, the CPUC does not describe what fill rates it would use or how it would determine the appropriate fill rate for any service provider. The issue of fill rates and utilization levels is raised significantly in the NRO NPRM.<sup>13</sup> This issue should be first addressed in that proceeding. The Commission may conclude that fill rates are not an efficient number management practice. Accordingly, the Commission should not at this time authorize California to adopt fill rates.

MCI WorldCom believes that, if adopted, fill rates would provide no significant number conservation benefits, but would harm service providers that have relatively few NXXs in a given rate area. The most significant driver of NXX demand in any NPA is demand for footprint NXX codes.<sup>14</sup> Fill rates cannot limit demand for these initial codes, which is determined by the

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<sup>12</sup> These include, *e.g.*, Connecticut, Massachusetts, Maine, New Hampshire, and Texas. In addition, the Commission has sought comment on whether it should order some form of sequential number assignment prior to the actual implementation of pooling. *See* NRO NPRM at ¶ 190.

<sup>13</sup> *See, e.g.*, NRO NPRM at ¶ 62.

<sup>14</sup> According to NANPA, NXX code demand for footprint varies from 34% for the paging segment of the industry to 92% for the CLEC segment, with an industry average of 54%. *See* North American Numbering Plan Exhaust Study, North American Numbering Plan Administration (NANPA) Lockheed Martin CIS (submitted April 22, 1999) at 3-10 - 3-14. In the case of CLECs, this means that 92% of their assigned NXX codes represent codes needed simply to establish a service footprint.

number of rate areas in a particular market. Since fill rates would not apply to initial codes, they could not provide any substantial conservation benefits.

Fill rates would also impose a significant and discriminatory burden on newer service providers, since those carriers tend to have fewer NXXs in any rate area. A simple example can illustrate the harm. Assume that two service providers compete in a rate area. Call them ILEC and CLEC. ILEC starts out with ten NXX codes. CLEC starts out with a single NXX. If carriers must meet any particular fill rate before they can obtain additional NXX codes, ILEC will have a significant competitive advantage. Assume the mandatory fill rate is 50%. CLEC will not be able to obtain additional resources until it has only 5,000 numbers remaining in inventory. ILEC will be able to obtain additional resources when it still has 50,000 unused numbers in its inventory. Thus, with a mandatory fill rate, CLEC is much more likely than ILEC to be unable to provide service to customers because it has insufficient numbers in its inventory.

Instead of authorizing state commissions to adopt fill rates, the Commission should condition the assignment of additional codes on a showing that a projection of the service provider's recent growth rate in a particular rate area demonstrates that the service provider will require additional resources.<sup>15</sup> Such a requirement would reduce any problems caused by unsubstantiated forecasts without the discriminatory effect of mandatory fill rates.

**C. The Commission Should Authorize the CPUC and Other State Commissions to Respond to Requests from Individual Carriers Seeking to Obtain NXX Codes Outside of the Rationing Process.**

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<sup>15</sup> Alternatively, the service provider could also show that the needs of one or several large customers require the assignment of additional resources.

MCI WorldCom supports authorizing state commissions to respond to extraordinary requests for NXX codes, subject to national standards that define when a request is extraordinary. It is almost inevitable that, with rationing, some carrier will find itself at serious and imminent risk of being unable to provide customers with service because it does not have numbers. Rationing, after all, prevents carriers from obtaining numbers in the ordinary course of business. It is intolerable that customers might be prevented from selecting the service provider of their choice because that service provider does not have numbers. Thus, someone must be able to hear and respond to the requests of carriers that find themselves in this situation. Recently the Commission has had to step in to remedy this problem.<sup>16</sup> However, state commissions are closer to the problem. A service provider in this circumstance should be able to seek relief from the appropriate state commission. Only when a state commission does not respond, should the service provider be forced to ask the Commission for relief.

The Commission should, however, define what constitutes “extraordinary” for purposes of addressing these requests. Lotteries prevent service providers from obtaining numbers. Every carrier that requests numbers but does not obtain them, has a need that is not being addressed. The Commission must ensure that there is a single definition of “extraordinary” that is applied in all states. These circumstances must be tightly circumscribed. Allowing a carrier to bypass the lottery process reduces the NXX codes that are available to other service providers in the lottery. It is critical that all carriers have access to sufficient numbers to serve customers. States must perform their delegated duties in such a manner that numbers are available to all service

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<sup>16</sup> See, e.g., Letter from Yog R. Varma, Deputy Chief, Common Carrier Bureau, to Ronald R. Conners, Director, NANPA, re Sprint PCS Request for Emergency Numbering Relief in the 516 NPA, DA 99-505, NSD File No. 99-25 (March 12, 1998).

providers.

**D. The CPUC Should Work with the NANPA to Obtain the Return of Exchange Codes that are Held in Violation of the Central Office Code Guidelines.**

The CPUC has asked for express authority to order carriers to return codes that are not activated within the time frame required by the Central Office Code Guidelines. MCI WorldCom fully supports efforts to reclaim NXX codes that service providers have obtained or are holding in violation of the guidelines. However, MCI WorldCom does not believe that the Commission must delegate additional authority to ensure that such reclamation occurs. Instead, the CPUC should work with the NANPA to identify any instances in which codes are held in violation of the guidelines. If such a case is identified, the NANPA is the appropriate body to reclaim the code. MCI WorldCom expects that the NANPA and all service providers will cooperate with state commissions to ensure that the guidelines are followed.

**E. It is Premature to Determine a Process for Reclamation of Unused or Under-utilized Portions of NXX Codes.**

For the reasons set out above, the Commission should not authorize the CPUC to conduct a mandatory pooling trial outside of the Commission's NRO process. It follows logically that the Commission should also not authorize the CPUC to order carriers to return unused or under-utilized portions of NXX codes. Indeed, the California Petition makes plain that this authority would only be required if the Commission grants the request to explore mandatory number pooling.<sup>17</sup> Moreover, the issues surrounding the reclamation of portions of NXX codes are likely

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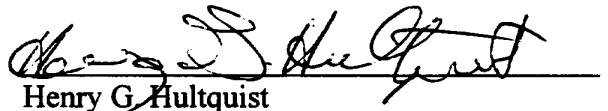
<sup>17</sup> CPUC Petition at 14.

to be among the most difficult issues that will be decided with respect to pooling. The Commission should not authorize individual states to address these issues until after the Commission itself does so in its rulemaking. Otherwise states may establish reclamation standards that are in conflict with whatever the Commission ultimately decides. Since pooling cannot be implemented until after the Commission completes its rulemaking, it simply makes no sense to authorize individual state commissions to determine reclamation procedures prior to the completion of the Commission's proceeding.

#### **IV. Conclusion**

For the reasons and to the extent set out above, MCI WorldCom supports, in part, the CPUC's request for additional authority. MCI WorldCom looks forward to working with the CPUC and the Commission to ensure the development and deployment of number conservation measures that will enable more efficient use of the numbering resource.

Respectfully submitted,  
MCI WorldCom, Inc.



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June 14, 1999

## **CERTIFICATE OF SERVICE**

I, Vivian Lee, do hereby certify that copies of the foregoing Comments In the Matter of Petition of the California Public Utilities Commission and the People of the State of California for Delegation of Additional Authority Pertaining to Area Code Relief and to NXX Code Conservation Measures of MCI WorldCom, Inc. were sent via first class mail, postage paid, to the following on this 14th day of June, 1999.

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